

**CITY OF SHOREVIEW  
AGENDA  
CITY COUNCIL WORKSHOP  
DECEMBER 10, 2012  
7:00 P.M.**

1. ROLL CALL
2. DISCUSSION WITH STATE LEGISLATIVE DELEGATES
3. REVIEW OF 2013-2017 STREET REHABILITATION AND  
RECONSTRUCTION PLAN
4. OTHER ISSUES
5. ADJOURNMENT

**TO: MAYOR AND COUNCILMEMBERS**

**FROM: TERRY SCHWERM  
CITY MANAGER**

**DATE: DECEMBER 7, 2012**

**SUBJECT: MEETING WITH LEGISLATORS**

### **INTRODUCTION**

At the November workshop meeting, the City Council asked that our State Legislative delegation be invited to the December Council workshop meeting. As the Council is aware, the redistricting that occurred earlier this year significantly modified the legislative districts in Shoreview. The City is now in two House Districts 42A – Barb Yarusso, and 42B – Jason Isaacson, and one Senate District 42 – Bev Scalze. Previously, Shoreview was in three House and three Senate Districts.

### **ISSUES**

In addition to providing the newly elected officials some background information about Shoreview, listed below are some of the key issues that should likely be discussed with our legislators:

1. Transportation – the City has advocated for State funding for the replacement of the I-694/Rice Street bridge for many years, as well as upgrades to I-694 between 35E and Lexington Avenue.
2. Market Value Homestead Credit Program – As the Council is aware, this program was repealed during the 2011 legislative session and replaced with a Homestead Market Value Exclusion Program. This new program provides approximately the same amount of tax relief to property owners of lower and moderate valued homes as the MVHC program, but does not rely on state reimbursements to local governments. The exclusion program reduces property values to accomplish this goal. The new program allows for more predictability to the State local fiscal relationship and, therefore, most cities strongly oppose the reinstitution of the MVHC program.
3. Property Tax Reform and Local Government Aid – the Governor has talked about the need for property tax reform. While not opposed to property tax reform, the Municipal Legislative Commission (MLC) generally supports policies that simplify the property tax system and provide direct property tax relief through the circuit breaker program (income based) as opposed to increases in local government aids.

4. Tax Increment Financing (TIF) – Shoreview has been very supportive of the increased flexibility in tax increment financing policies that have been in place the past two years. In today's recovering economy where jobs are considered critical, Shoreview has been able to use tax increment financing to help finance projects such as PaR Systems' relocation and expansion, TSI, Inc. expansion, redevelopment of an outdated strip mall into 100+ apartment units and senior housing development, that provide more housing choices in the City, and to attract needed services such as the restaurants in the new Red Fox Road Retail Center and Trader Joe's. Since TIF is the only development tool that remains for cities, we ask the legislature to not adopt any language that would further constrain or reduce the effectiveness of TIF.

Attached is a copy of the draft 2013 ML policies.



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# 2013 Legislative Program

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*Adopted by the Board of Directors on \_\_/\_\_/\_\_*

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Prepared by Messerli & Kramer, P.A.  
525 Park Street, Suite 130  
St. Paul, MN 55103

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## **SUMMARY OF 2013 LEGISLATIVE PRIORITIES**

- I. Promote accountability and transparency in the State/local fiscal relationship**
  - A. Support policies that help promote a more equitable property tax burden as a percentage of income.**
  - B. Support directing property tax relief to individuals through the circuit breaker.**
  - C. Support policies that help simplify the property tax system.**
  - D. Oppose reinstating the Market Value Homestead Credit (MVHC) program.**
  - E. Support principles in LGA reform that promote equity, simplicity and neutrality.**
  - F. Support increased transparency in the State's "Fiscal Disparities" program.**
  - G. Oppose fiscal limitations on local units of government.**
- II. Invest in job retention and growth**
  - A. Support providing DEED with the tools and incentives necessary to attract and retain businesses.**
  - B. Support highway and transit projects that promote economic development and growth.**
  - C. Support flexibility in Tax Increment Financing (TIF) policies.**
  - D. Improve transparency between effective corporate income tax rate vs. stated corporate income tax rate to increase the State's competitive advantage in attracting business.**
- III. Support local government policies that promote fairness and equity**
  - A. Mitigate the financial impact of surface water regulations.**
  - B. Oppose mandates relating to expenditure-type reporting.**

## **2013 LEGISLATIVE INITIATIVES**

The Municipal Legislative Commission (MLC) has identified the following issue areas as priorities for the 2013 Legislative Session:

- I. Promote accountability and transparency in the State & local fiscal relationship;
- II. Invest in job retention and growth; and
- III. Support local government policies that promote fairness and equity.

### **I. Promote Accountability and Transparency in the State & Local Fiscal Relationship**

#### **A. Support policies that help promote a more equitable property tax burden as a percentage of income**

The Department of Revenue publishes a report called the “Residential Homestead Property Tax Burden Report,” using data obtained from the “Voss Database.” The purpose of this report is to look at property tax fairness throughout the state by matching homeowners’ property taxes paid with their actual incomes (includes county, school and city property tax burdens).

In its 2011 report (based on 2009 data), **<waiting to hear from Eric Willette on data>**

The MLC asks the Legislature to support policies that promote a more equitable property tax burden for suburban homeowners, as identified in the Voss Database Report.

#### **B. Support directing property tax relief to individuals through the circuit breaker**

The property tax refund program (“circuit breaker”) provides property tax relief to individuals based on their income and ability to pay. In 2011, the circuit breaker was enhanced to help offset the fiscal implications of eliminating the Market Value Homestead Credit (MVHC), a property tax credit based on home value. Our communities prefer the “circuit breaker” program because it directs relief to the individuals who need it most, regardless of where they live.

MLC requests the Legislature continue utilizing the circuit breaker program as the preferred system to help reduce the property tax burden on homeowners.

**C. Support policies that help simplify the property tax system.**

In 2010, the Legislature established a Property Tax Working Group to examine the many facets of Minnesota's property tax system and develop recommendations on how to make the system more simple, understandable, transparent, accountable and efficient.

The working group held 20 meetings over the last two years and established the following guiding principles:

1. defend the purpose of the property tax system;
2. base property taxes on full estimated market value;
3. base property taxes on property attributes, not ownership or occupancy;
4. defend broad-based goals from narrow interests;
5. consider more transparent alternatives;
6. provide sunsets to prompt review;
7. require value or intention statements on new legislation;
8. make simplicity and transparency a priority; and
9. require local impact notes for any property tax changes.

The Property Tax Working Group will report their recommendations to the Legislature on February 1, 2013. The MLC supports the guiding principles of the working group, and requests the Legislature support policies that will help simplify (not further complicate) the State's property tax system.

**D. Oppose reinstating the Market Value Homestead Credit (MVHC) program**

The original MVHC program was a credit funded by the State to qualifying homeowners. Cities provided the credit to taxpayers with the expectation of being reimbursed by the State. However, when the State had a budget deficit, MVHC funding would be cut to some cities (MLC cities have only received full reimbursement for the credit twice since the program's implementation).

In 2011, the Legislature eliminated the MVHC program and replaced it with a homestead market value exclusion. With this new program, a portion of a home's value is excluded from taxation (thus it is funded by residential and commercial property owners within that home's jurisdiction – not the State).

MLC supports the stability to our budgets provided by the exclusion, not the market value homestead credit. Our members ask the Legislature to oppose reinstating the MVHC program in 2013.

However, there are areas where a legislative fix is needed in order to mitigate some of the challenges of going from a credit to an exclusion, including:

1. Levy limits for EDAs and HRAs  
A number of levy restrictions based on market value related to specific functions, such as economic development authorities, housing and redevelopment authorities and port authorities, may inadvertently experience a reduction in their levy authority due to the exclusion. The MLC requests that levy limits based on market value, including those impacting economic development authorities, housing and redevelopment authorities and port authorities, be computed on market value of the jurisdiction before the homestead market value exclusion.
2. Housing Districts/TIF Districts  
The TIF statute, Minn. Stat. § 469.177, does not address tax base changes resulting from the homestead market value exclusion. As a result, the current value of a district will be reduced by the exclusion but the original net tax capacity will not be adjusted and consequently, increment available to the district will decline. The MLC requests that Minn. Stat. § 469.177 be revised to provide for an adjustment to the original net tax capacity calculation to reflect the exclusion.

The technical changes referenced above were addressed in last year's vetoed Omnibus Tax Bills (Article 7 of H.F. 2337, and Article 12 of H.F. 247). The MLC encourages lawmakers to revisit these articles and pass a technical corrections bill to mitigate these issues.

**E. Support principles in LGA reform that promote equity, simplicity and neutrality**

MLC cities do not receive LGA. However, our members support the program as long as it's clear to our taxpayers where the money is going and why it is being directed there. We recommend the following principles be adhered to when changes to LGA are proposed:

1. **Equitable** – an effective LGA formula should provide similar amounts of aid to similarly situated cities (minimize mechanisms such as “grandfathers” and minimum/maximum aid amounts).



2. **Neutral** – the LGA program should not encourage cities to spend more than it would otherwise need to for basic services. LGA should be based on factors outside of the individual city’s control.
3. **Simple and Understandable** – attempting to address every unique and special problem with each of the 855 cities in Minnesota causes the LGA formula to be too complex. Factors used to determine aid should have general support and understanding from cities and their citizens.
4. **Ability to Provide Adequate Revenue** – an effective formula should grow with general city costs, stay relatively stable, and should be based on factors for which we have accurate information and whose values do not wildly fluctuate from year to year.

Furthermore, the MLC supports methods to reduce the property tax burden that are outside of the LGA program. In addition to the “circuit breaker,” increasing school aids, county aids, or reducing the Statewide tax on C/I and seasonal properties would all help relieve the property tax burden on our residents.

**F. Support increased transparency in the State’s “Fiscal Disparities” program**

The State authorized the Department of Revenue to commission a third-party study of the Metropolitan Area “Fiscal Disparities” Program. The program was enacted in 1971 to reduce discrepancies in tax-base wealth between taxing units within the metro.

At the time of the study’s release, one of the common issues raised amongst our members was the lack of understanding about the fiscal disparities program within the business community. Therefore, the MLC recommends that steps are taken to help improve the transparency of the fiscal disparities program, such as:

- Revising the name of the program to accurately reflect its purpose (which is redistributing tax base, not sharing revenue); or
- Displaying the metro area-wide tax rate in addition to the local tax rate on a business’s property tax statement.

**G. Oppose Fiscal Limitations on Local Units of Government**

Our cities’ residents and property owners provide nearly all the revenue for city services through property taxes and fees – no MLC cities receive LGA. Imposing artificial caps, such as levy limits and property tax freezes, removes the autonomy needed for city officials to make decisions in the best interests of their fellow citizens.

The MLC opposes state limitations on local decision making that inhibit cities' ability to plan with financial confidence. We ask the Legislature to not impose restrictions to our budget decisions by imposing levy limits or property tax freezes.

## **II. Invest in Job Retention and Growth**

Compared to the rest of the nation, Minneapolis-St. Paul and the surrounding suburbs rank at the top when it comes to the percentage of college educated adults active in the workforce, as well as the number of Fortune 500 headquarters per capita. We are also one of the few metropolitan regions in the U.S. that is home to our state's capitol and its major research university. Thus, the State needs to invest/support regional growth in the Twin Cities metropolitan area and surrounding suburbs.

MLC cities specifically are critical job producers for the region. Combined, we are among the biggest job producing areas in the state with over half a million employees (compared to Minneapolis/St. Paul with a combined total of 456,798 employees)<sup>1</sup>. Furthermore, many of our cities have seen net employment growth between the years 2000-2010. In fact, five of the top 10 cities with net employment growth of over 1,000 are MLC members.

Our members believe the State can play a critical role in keeping and growing jobs by making key investments, and by supporting and partnering with cities. A jobs focus will help cities promote a healthy business environment, which will keep and grow jobs here rather than having companies move to a more competitive state.

### **A. Support providing DEED with the tools and incentives necessary to attract and retain businesses.**

The MLC supports authorizing DEED to use specific tools to attract businesses without always having to go to the Legislature for approval. These include the use of tax incentives in order to attract jobs to our local communities, sales tax exemptions or rebates on construction materials and capital equipment, and funding the Minnesota Investment Fund (MIF). Doing so would not only help expedite the process, but also reduce barriers to local job creation.

### **B. Support highway and transit projects that promote economic development and growth.**

The MLC continues to support transportation investments to replace deficient bridges, maintain regional and state highways, and advance public transit. In addition, our members support the Transportation Economic Development Program (TED), a collaboration between DEED and MnDOT which prioritizes and funds highway capacity and safety improvements which will result in significant job growth and economic development.

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<sup>1</sup> The Metropolitan Council, *Metro Stats: Employment in the Twin Cities Region, 2000-2010*, September 2011, < [http://stats.metc.state.mn.us/stats/pdf/Employment\\_MS2010.pdf](http://stats.metc.state.mn.us/stats/pdf/Employment_MS2010.pdf)>

During the 2011 Special Session, language was passed creating a Trunk Highway Economic Development Account (MN Statute 161.04, subd. 6). The Commissioner of Transportation was authorized to transfer up to \$20 million from the Trunk Highway Fund into this account toward the TED program.

The MLC supports this account and encourages the Legislature to continue annually allocating MnDOT funds toward the TED program.

**C. Support flexibility in Tax Increment Financing (TIF) policies.**

TIF remains one of the most viable tools available to fund community reinvestment efforts. Further restrictions of TIF would render the tool less effective and will almost certainly curtail local efforts to support job creation, housing, redevelopment and remediation. In light of the recent economic and development downturns, cities need greater flexibility to use the tool effectively to support the economic viability of their business and residential communities. The 2010 Jobs bill provided flexibility in the tax increment laws, recognizing that this is an important tool for stimulating development and creating jobs.

So as to not further complicate this process, the MLC requests the Legislature not enact future TIF law restrictions during the next legislative session.

**D. Improve transparency between effective corporate income tax rate vs. stated corporate income tax rate to increase the State's competitive advantage in attracting business.**

(For discussion...)

### **III. Support Local Government Policies that Promote Fairness and Equity**

MLC cities want to partner with the State to provide the best services for its constituents. However, State mandated programs can interfere with a city's ability to make the best fiscal decisions for its community. Mandates can lead to either a reduction in basic services or an increase in taxes and service charges in order to meet the requirements outlined by the State.

The MLC asks the Legislature to thoughtfully consider existing mandates and their efficacy, and make the appropriate reductions or repeals where possible. We further ask that unfunded mandates be avoided altogether. Should new mandates on local units of government be proposed, we ask that legislators consider providing cities with the greatest amount of flexibility available in order to reduce implementation costs.

#### **A. Mitigate the financial impact of surface water regulations**

The MN Pollution Control Agency distributed a memo to cities regulated under the Municipal Separate Storm Sewer Systems (MS4) stormwater permit, requiring an inventory of stormwater ponds, wetlands and other water bodies impacted by the collection, treatment and conveyance of stormwater. The impact of a detailed pond-by-pond survey and inventory could prove to be very expensive for cities. Furthermore, this project would create a significant administrative burden for the MPCA who already are behind in reviewing documents related to the stormwater permit program.

MLC supports the goal of monitoring the performance of stormwater ponds for water quality purposes, but the economic impact of this goal needs to be greatly considered.

#### **B. Oppose mandates relating to expenditure-type reporting**

NAIOP, the Commercial Real Estate Development Association sponsored legislation last year that would require counties and cities to publish their budgets sorted by "expenditure-type" (i.e. employee costs divided by wages, health care, pensions and Social Security; supplies; purchased services; capital items; and transfers to other funds). Failing to comply would have resulted in the withholding of State aids.

The MLC appreciates the intent of more transparency between local government and taxpayers, but we are concerned with the additional city resources it would take to compile this information by object code (as it is not standard practice). A pilot project or providing past audited financial statements online as an alternative would help alleviate some of these concerns.

**For questions about the MLC's Legislative Program, please contact:**

Tom Poul	tpoul@messerlikramer.com
Bill Schreiber	bschreiber@messerlikramer.com
Carolyn LaViolette	claviolette@messerlikramer.com

...or by calling Messerli & Kramer, P.A. at 651-228-9757.

**A special thanks to our Legislative Program Subcommittee members:**

Barry Stock	City Administrator, Savage
Gene Winstead	Mayor, Bloomington
George Tourville	Mayor, Inver Grove Heights
Jim Hovland	Mayor, Edina (MLC Chair)
Mark McNeill	City Administrator, Shakopee
Mike Maguire	Mayor, Eagan
Steve Mielke	City Administrator, Lakeville
Terry Schneider	Mayor, Minnetonka
Terry Schwerm	City Manager, Shoreview

TO: MAYOR, CITY COUNCIL, AND CITY MANAGER  
FROM: TOM WESOLOWSKI, CITY ENGINEER  
DATE: DECEMBER 6, 2012  
SUBJECT: RESIDENTIAL STREET REHABILITATION

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### **Discussion**

The City's 2013 Capital Improvement Plan contains a \$3,200,000 street rehabilitation project that would be financed using \$2,500,000 in street improvement bonds and \$700,000 in Municipal State Aid funds. This project will be modeled after the 2006-2008 Street Rehabilitation Initiative and address resurfacing needs at various locations throughout the City.

As part of the bonding process the City must prepare a Street Rehabilitation and Reconstruction Plan. The Plan describes the City's pavement management practices and summarizes the street rehabilitation and reconstruction projects that are listed in the City's 5-year Capital Improvement Plan for the years 2013 – 2017. A public hearing for the Plan will be held on December 17, 2012 during the City Council meeting. A draft copy of the Plan is attached. The staff wanted to review this plan and the street segments planned for rehabilitation in 2013 with the City Council prior to the public hearing.



**City of Shoreview**

**Street Rehabilitation and Reconstruction Plan**

**For Years 2013 - 2017**

**Prepared: December 3, 2012**



TO: Mayor, City Council Members, and City Manager

FROM: Mark Maloney, PE – Director of Public Works  
Tom Wesolowski, PE – City Engineer

DATE: December 17, 2012

SUBJECT: Street Rehabilitation and Reconstruction, 2013-2017

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## INTRODUCTION

Since 1985, the City of Shoreview has managed the construction and maintenance of its street system in accordance with the Street Renewal Program. Various small adjustments have been made to the program, over time, to reflect changes in street maintenance/rehabilitation strategies and best management practices as reflected in the City's Pavement Management Program. These activities are reviewed annually by the City Council during the development of the Capital Improvement Program.

In 2006 the City determined the overall condition of paved streets was trending downward and would likely continue to deteriorate if limited to existing fund sources. At that time the City Council authorized additional funding of \$2,500,000, in the form of City issue bonds, to finance street rehabilitation projects. Although the projects helped the condition of streets in certain neighborhoods, the overall condition of the City's streets continued downward. It was determined that additional funding would be required at regular intervals in the future to address the observed trend. At this time it is recommended that the City implement additional funding strategies for street rehabilitation projects.

## DISCUSSION

The City is responsible for approximately 90-miles of roadways, including additions from Ramsey County turn backs. 70-miles are classified as local, residential roads with the remaining 20-miles classified as Municipal State Aid (MSA) roads.

The City receives an annual allocation of the State Gas Tax distribution specifically for qualifying improvements related to the MSA system. There are dedicated funding mechanisms for collector street improvements and/or rehabilitation, so collector street projects are typically programmed and implemented independent of the residential street projects. Due to age of the City's MSA system, the annual allocation amounts are not keeping pace with the reconstruction/rehabilitation needs of the City's MSA system.

Non-collector streets are by default local and all improvements, rehabilitation, and reconstruction of these streets is funded through the Street Renewal Fund. Funds available for Street Renewal, which include the tax levy and interest earnings on the minimum fund balance, have averaged approximately \$706,000 over that last 5-years.

The majority of the Street Renewal Funds available during that time were spent on reconstruction projects. Additional funding of \$2,500,000, in the form of City issue bonds, was authorized by the City Council in 2006 for street rehabilitation projects that were completed between 2006 and 2008.

Shoreview manages the maintenance and construction of its local street infrastructure in accordance with the adopted Street Renewal Policy, included for reference with this report. It was created in 1985 and most recently amended in 1996. The Street Renewal Fund has paid for over \$14,500,000 of pavement replacement and rehabilitation in Shoreview since its adoption. The intent of the program as stated in the policy is “to create a permanent program to manage, finance, and implement the reconstruction or rehabilitation of the streets within the City of Shoreview”.

The Public Works Department manages a Pavement Management Program (PMP) that tracks pavement condition data for all the street segments in the City. The PMP groups streets into three classifications: 1) those which benefit from continued preventative maintenance including seal coating and crack filling; 2) those which are appropriate to rehabilitate by full depth reclamation with emulsion; and 3) those which should be totally reconstructed prior to performing any minor maintenance. The classification of streets is based upon their Pavement Condition Index (PCI), which is a score on a scale of 1 to 100 with 100 representing a fairly new pavement, typically 1 to 3-years, with no flaws. The average PCI of all the streets in the City over time is a good indicator of how well we are keeping up with the natural deterioration of the pavements.

The initial emphasis of the Street Renewal Policy and resulting pavement management program was to tackle the streets that were in the worst condition and required complete reconstruction first. The policy was amended in 1996 to allow for certain minor pavement rehabilitation efforts such as crack filling and seal coating to be paid for from the Street Renewal Fund. Those activities have had a measurable positive impact on the condition of the City's streets and have been well received by the residents.

In 2001 the City Council began authorizing changes in street reconstruction/rehabilitation priorities that recognized the use of rehabilitation strategies. Since 2001 the City has used strategies including mill and overlays, full depth reclamation (FDR), and FDR w/emulsion as part of street improvement projects.

In 2006 the City Council identified neighborhood areas within the City that have poor road surfaces and other infrastructure needs that required total reconstruction. The Council made a commitment to bring the road surface and utility infrastructure in these neighborhoods to current City standards and since 2007 one neighborhood project has been completed each year. Given the number of identified neighborhoods the reconstruction projects would need to continue until the year 2020, at the current rate of one project per year. The majority of the Street Renewal Funds available from 2007 to 2012 have been used to fund the reconstruction projects and a majority would continue to be needed until all identified reconstruction areas are completed.

Shoreview's period of rapid growth that occurred during the 1970's and 80's left a large portion of street infrastructure requires major pavement rehabilitation. If not addressed in the near future these roads will require total reconstruction, which is approximately double the cost when compared to FDR w/emulsion. Given the available resources the use of pavement rehabilitation strategies is a viable approach to addressing the deteriorating pavement conditions system-wide, but does not address the reconstruction needs of streets located in older residential neighborhoods that have poor pavement condition as well as acute drainage and utility infrastructure needs.

The rehabilitation needs reflected in the 2013 – 2017 Capital Improvement Plan and pavement management program total approximately \$4,750,000. \$2,250,000 of the costs is associated with collector streets and would be covered by MSA funds. The remaining is for local streets and \$2,500,000 would require funding from the Street Renewal Fund. Assuming additional funding, it is feasible the Public Works Department's work program could deliver the rehabilitation project for the local streets in 2013, while continuing the current rate of one neighborhood reconstruction project per year.

### RECOMMENDATIONS

Analysis of our pavement management data indicates that the funding mechanisms currently available cannot keep pace with the pavement degradation that is predicted to occur in the future. The Street Rehabilitation and Reconstruction Plan for years 2013 – 2017 is comprised of this report, a summary of estimated costs by year and financing sources, a listing of street segments, maps of rehabilitation and reconstruction segments, and the property tax impact.

This Street Rehabilitation and Reconstruction Plan reflects a program that addresses immediate rehabilitation (full-depth reclamation w/emulsion) needs of \$3.2-million in the year 2013 by the use of \$700,000 in MSA funds and \$2.5-million in Street Improvement Bonds, and a total reconstruction of five neighborhood areas in years 2013, 2014, 2015, 2016, and 2017 with resources available in the City's Street Renewal Fund. Additional street rehabilitation is scheduled to occur in the year 2016, to be funded by MSA funds. The plan also includes the City's participation in Ramsey County reconstruction projects scheduled in years 2014, 2015, and 2016, to be funded by MSA funds.

The City's effort in minor maintenance/rehabilitation, which includes crack filling and seal coating, have been largely successful in recent years and will continue to play an important role in maintaining the quality of Shoreview's streets. At this time the available resources and priorities for these activities appear appropriate; the Capital Improvement Plan assumes continuation of these activities for the foreseeable future.

City of Shoreview  
Street Rehabilitation and Reconstruction Plan - 2013 to 2017  
Summary of Estimated Costs

Description	2013	2014	2015	2016	2017	Total
<b>RESOURCES</b>						
Bonding						
Street Improvement Bonds	\$ 2,500,000					\$ 2,500,000
Special Assessment Bonds	\$ 361,427	\$ 146,000	\$ 279,200	\$ 320,700	\$ 184,720	\$ 1,292,047
Water Revenue Bonds	\$ 539,586	\$ 400,000	\$ 640,000	\$ 605,000	\$ 41,500	\$ 2,226,086
Sewer Revenue Bonds	\$ 132,131	\$ 175,000	\$ 285,000	\$ 215,000	\$ 120,000	\$ 927,131
Surface Water Revenue Bonds	\$ 802,684	\$ 257,000	\$ 427,700	\$ 499,900	\$ 285,080	\$ 2,272,364
Internal Sources						
Street Renewal Fund	\$ 143,627	\$ 537,000	\$ 630,600	\$ 1,254,400	\$ 792,700	\$ 3,358,327
MSA Fund	\$ 1,340,500	\$ 100,000	\$ 2,575,000	\$ 1,765,000	\$ 132,000	\$ 5,912,500
Street Lighting	\$ 20,000	\$ 70,000	\$ 70,000	\$ 137,000	\$ 85,000	\$ 382,000
General Fixed Asset				\$ 189,000		\$ 189,000
City Inter-Fund Loan	\$ 1,000,000					\$ 1,000,000
External Sources						
Ramsey Count	\$ 360,000					\$ 360,000
City of Roseville	\$ 807,570					\$ 807,570
Tax Increment	\$ 1,369,450					\$ 1,369,450
LCDA Grant	\$ 452,550					\$ 452,550
Total Resources	\$ 9,829,525	\$ 1,685,000	\$ 4,907,500	\$ 4,986,000	\$ 1,641,000	\$ 23,049,025
<b>OUTLAYS</b>						
Rehabilitation Projects						
Rehabilitation 2013						
Street	\$ 3,170,000					\$ 3,170,000
Storm sewer	\$ 100,000					\$ 100,000
Rehabilitation 2016						
Street				\$ 1,470,000		\$ 1,470,000
Storm sewer				\$ 80,000		\$ 80,000
Reconstruction Projects						
County Road D & Cottage Place						
Street	\$ 771,625					\$ 771,625
Water system	\$ 566,640					\$ 566,640
Sanitary sewer	\$ 75,000					\$ 75,000
Storm sewer	\$ 650,000					\$ 650,000
Sidewalk	\$ 70,000					\$ 70,000
Street lighting	\$ 75,000					\$ 75,000
Owasso Street Realignment						
Street	\$ 1,750,000					\$ 1,750,000
Water system	\$ 260,000					\$ 260,000
Sanitary sewer	\$ 65,000					\$ 65,000
Storm sewer	\$ 270,000					\$ 270,000
Sidewalk	\$ 94,000					\$ 94,000
Street lighting	\$ 50,000					\$ 50,000
Trail	\$ 46,000					\$ 46,000
Traffic signal	\$ 365,000					\$ 365,000
Red Fox Road						
Street	\$ 414,144					\$ 414,144
Water system	\$ 209,016					\$ 209,016
Sanitary sewer	\$ 57,131					\$ 57,131
Storm sewer	\$ 690,969					\$ 690,969
Street lighting	\$ 20,000					\$ 20,000
Traffic signal	\$ 60,000					\$ 60,000
Hanson, Oakridge Neighborhood						
Street		\$ 625,000				\$ 625,000
Water system		\$ 300,000				\$ 300,000
Sanitary sewer		\$ 125,000				\$ 125,000
Storm sewer		\$ 315,000				\$ 315,000
Street lighting		\$ 70,000				\$ 70,000
Lexington Avenue						
Street		\$ 50,000				\$ 50,000
Water system		\$ 100,000				\$ 100,000
Sanitary sewer		\$ 50,000				\$ 50,000
Storm sewer		\$ 50,000				\$ 50,000
Turtle Lane Neighborhood						
Street			\$ 735,000			\$ 735,000
Water system			\$ 320,000			\$ 320,000
Sanitary sewer			\$ 135,000			\$ 135,000
Storm sewer			\$ 472,500			\$ 472,500
Street Lighting			\$ 70,000			\$ 70,000
Rice Street/I-694 Interchange						
Street			\$ 420,000			\$ 420,000
Owasso Boulevard						
Street			\$ 1,600,000			\$ 1,600,000
Water system			\$ 320,000			\$ 320,000
Sanitary sewer			\$ 150,000			\$ 150,000
Storm sewer			\$ 550,000			\$ 550,000
Street lighting			\$ 135,000			\$ 135,000
Windward Heights Neighborhood						
Street				\$ 1,400,000		\$ 1,400,000
Water system				\$ 550,000		\$ 550,000
Sanitary sewer				\$ 170,000		\$ 170,000
Storm sewer				\$ 600,000		\$ 600,000
Street Lighting				\$ 125,000		\$ 125,000
Trail				\$ 94,000		\$ 94,000
Hodgson Road (Highway 49)						
Water system				\$ 54,000		\$ 54,000
Sanitary sewer				\$ 44,000		\$ 44,000
Storm sewer				\$ 107,000		\$ 107,000
Street lighting				\$ 40,000		\$ 40,000
Trail				\$ 94,000		\$ 94,000
Traffic signal				\$ 158,000		\$ 158,000
Bridge, Lion Neighborhood						
Street					\$ 981,000	\$ 981,000
Water system					\$ 80,000	\$ 80,000
Sanitary sewer					\$ 120,000	\$ 120,000
Storm sewer					\$ 375,000	\$ 375,000
Street Lighting					\$ 85,000	\$ 85,000
Total Outlays	\$ 9,829,525	\$ 1,685,000	\$ 4,907,500	\$ 4,986,000	\$ 1,641,000	\$ 23,049,025

See attached list of segments for each project listed

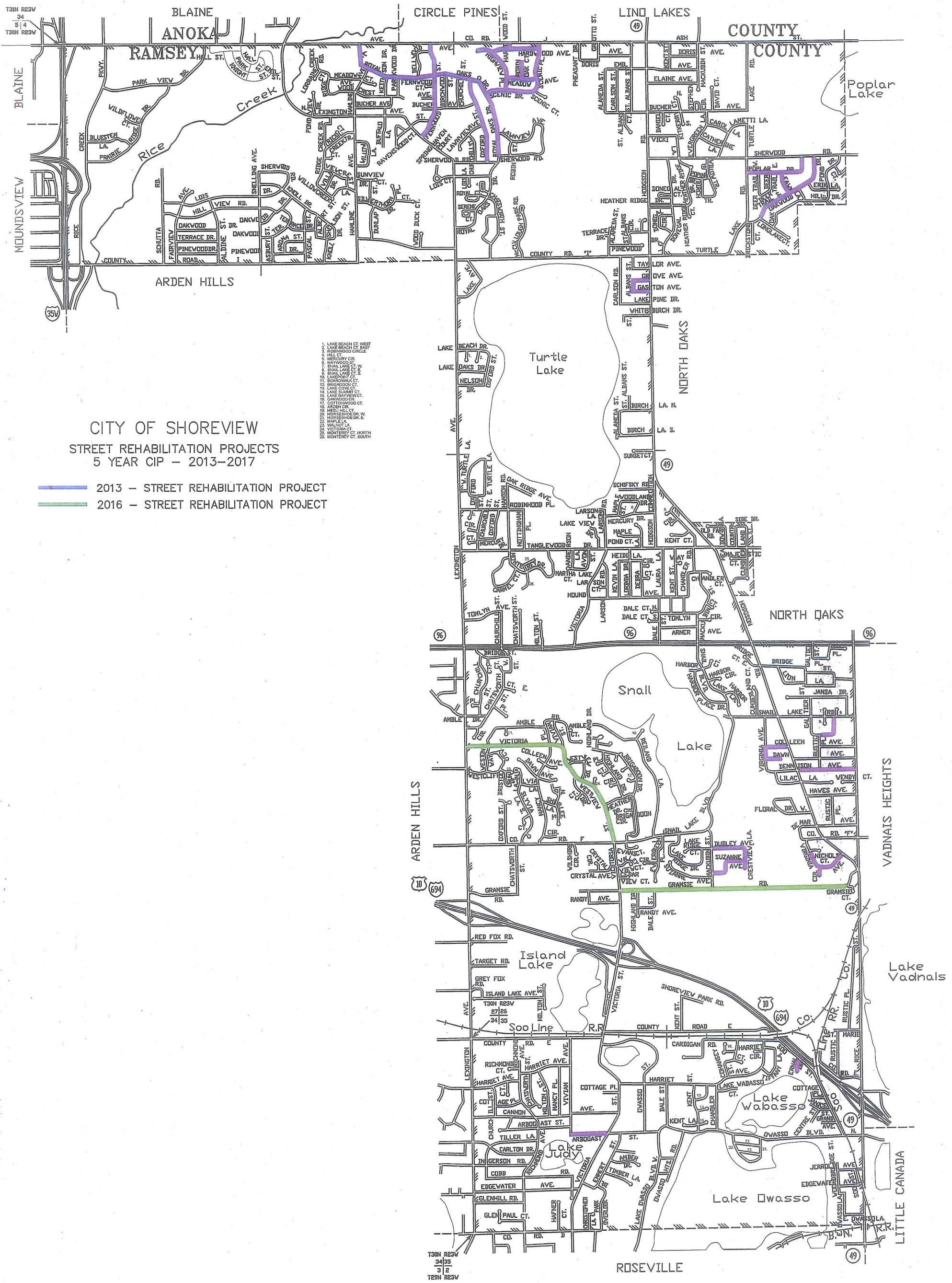
City of Shoreview  
Street Rehabilitation and Reconstruction Plan - 2013 to 2017  
Listing of Street Segments

Year	Project Name	Street Name	Segment	
			From	To
2013	Street Rehabilitation MSA Segments	Royal Oaks Drive	Royal Oaks Drive W	Sherwood Road
		Royal Oaks Drive W	County Road J	Royal Oaks Drive
		Fernwood Street	County Road J	Lexington Avenue
	Local Segments	Oakwood Drive	Sherwood Road	Long Lake Court
		Gaston Avenue	St. Albans Street	Hodgson Road
		Grove Avenue	St. Albans Street	Hodgson Road
		St. Albans Street	Grove Avenue	Gaston Avenue
		Fawn Lane	Poplar Drive	Oakwood Drive
		Poplar Drive	Turtle Lane Road	Sherwood Road
		Scenic Drive	Royal Oaks Drive	Scenic Court
		Scenic Place	Scenic Court	County Road J
		Scenic Court	Scenic Drive	Cul-de-sac
		Highview Place	Scenic Drive	Cul-de-sac
		Hardwood Avenue	Highview Place	Scenic Place
		Hardwood Street	Hardwood Avenue	County Road J
		Meadow Avenue	Highview Place	Scenic Place
		Robin Oak Court	Meadow Avenue	Cul-de-sac
		Virginia Avenue	Dawn Avenue	Colleen Avenue
		Dawn Avenue	Virginia Avenue	Cul-de-sac
		Collen Avenue	Virginia Avenue	Hodgson Road
		Virginia Avenue	Hodgson Road	North of Virginia Circle
		Virginia Circle	Virginia Avenue	Cul-de-sac
		Dudley Avenue	Mackubin Street	Crestview Lane
		Suzane Avenue	Mackubin Street	Crestview Lane
		Crestview Lane	Suzanne Avenue	Dudley Avenue
		Arbogast Street	Victoria Street	Vivian Avenue
		Ernal Drive	Soo St	Cul-de-sac
		Oxford Street	Royal Oaks Drive	Sherwood Road
		Dennison Avenue	Hodgson Road	Rice Street
		Rustic Place	Galtier Street	Snail Lake Road
2016	Street Rehabilitation - MSA	Victoria Street	Lexington Avenue	County Road F
		Gramsie Road	Victoria Street	Gramsie Court
2013	County Road D & Cottage Place Reconstruction	County Road D - MSA	Victoria Street	Lexington Avenue
		Cottage Place - Local	Victoria Street	Dead End
2013	Owasso Street Re-alignment Reconstruction	Owasso Street	800-feet E of Victoria Street	Victoria Street
		Victoria Street	700-feet N of County Road E	600-feet S of County Road E
		County Road E	Victoria Street	900-feet W of Victoria Street
2013	Red Fox Road Reconstruction	Red Fox Road	Lexington Aveue	Cul-de-sac
2014	Hanson, Oakridge Neighborhood Reconstruction	Hanson Road	Tanglewood Drive	Oak Ridge Avenue
		Oak Ridge Drive	Hanson Road	Dead End
		Robinhood Place	Nottingham Place	Hanson Road
		Nottingham Place	500-feet S of Robinhood Place	Robinhood Place
2014	Lexington Avenue Reconstruction	Lexington Avenue	1000-feet S of Interstate 694	700-feet N of County Road F
2015	Turtle Lane Neighborhood Reconstruction	Johns Road	Turtle Lane W	Lexington Avenue
		Turtle Lane W	Oxford Street	Turtle Lane E
		Turtle Lane E	Oxford Street	Turtle Lane W
		Schifsky Road	Hodgson Road	Dead End
2015	Rice Street/I694 Interchange Reconstruction	Rice Street	Owasso Boulevard N	County Road E
2015	Owasso Boulevard N Reconstruction	Owasso Boulevard N	Soo Street	Owasso Boulevard W
		Arbogast Street	Owasso Boulevard W	Victoria Street
2016	Windward Heights Neighborhood Reconstruction	Virginia Avenue	Colleen Avenue	Snail Lake Road
		Dennison Avenue	Hodgson Road	Virginia Avenue
		Lilac Lane	Hodgson Road	Dennison Avenue
		Rustic Place	Dennison Avenue	Galtier Street
		Dawn Avenue	Rice Street	Hodgson
		Colleen Avenue	Rice Street	Rustic Place
2016	Hodgson Road (Highway 49) Reconstruction	Hodgson Road (Highway 49)	Gramsie Road	County Road 96 W
2017	Bridge, Lion & Arner Neighborhoods Reconstruction	Bridge Street - Local	Galtier Street	Hodgson Road
		Lion Lane - Local	Galtier Street	Bridge Street
		Arner Avenue - Local	Mackubin Street	Dale Street N
		Dale Street N - MSA	County Road 96 W	Arner Avenue
		Dale Court S - Local	Dale Street N	Cul-de-sac
		Dale Court N - Local	Dale Street N	Cul-de-sac

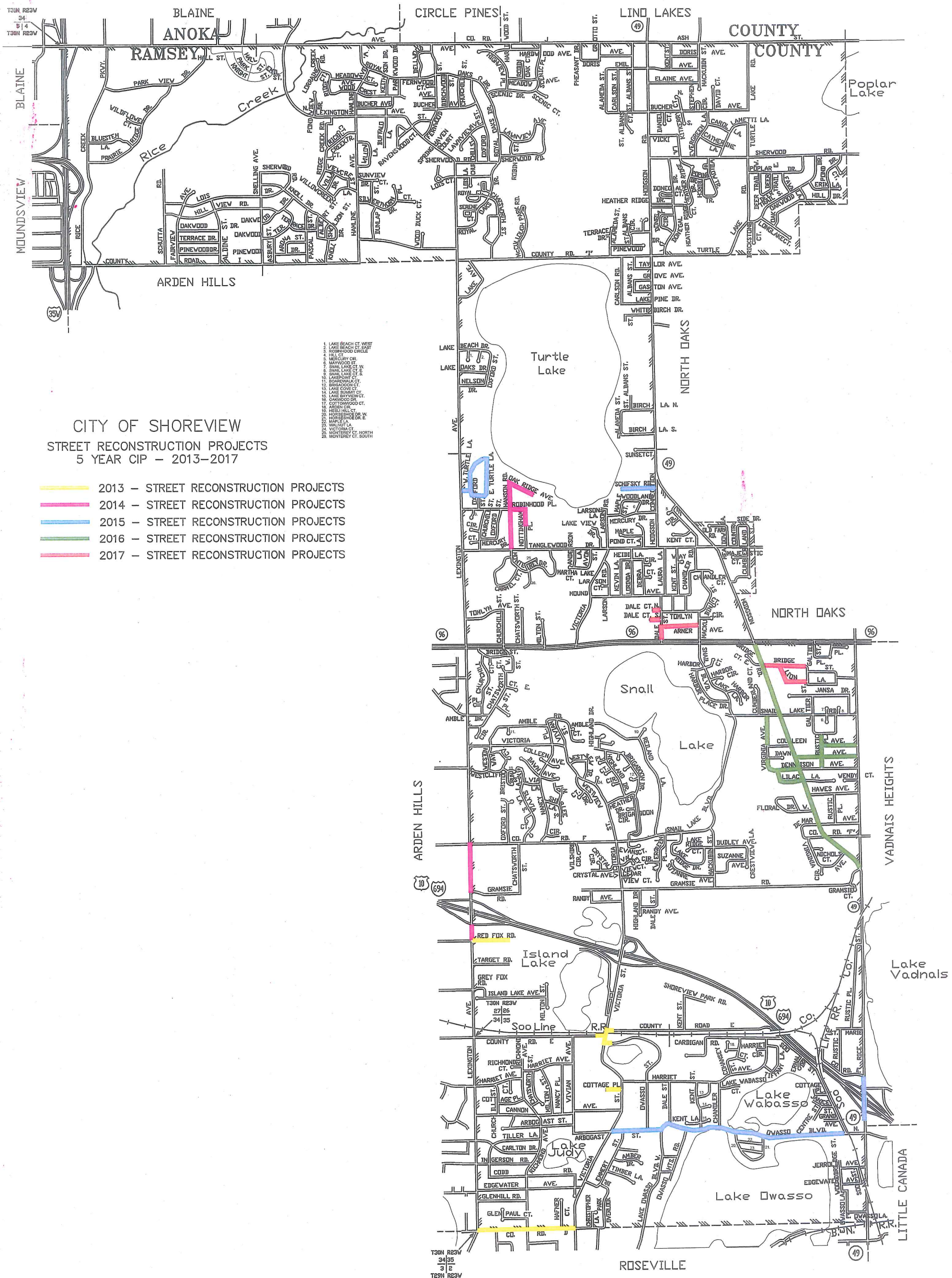
**Annual Property Tax Impact of  
\$2.5 Million in Street Improvement Bonds  
On Home Values from \$100,000 to \$500,000**

	Home Market Value	MVE Market Value	Impact on City Property Taxes
	\$ 100,000	71,800	\$ 6.36
	\$ 125,000	99,000	\$ 8.77
	\$ 150,000	126,300	\$ 11.19
	\$ 175,000	153,500	\$ 13.60
	\$ 200,000	180,800	\$ 16.02
Median home value	\$ 222,200	205,000	\$ 18.17
	\$ 250,000	235,300	\$ 20.84
	\$ 275,000	262,500	\$ 23.26
	\$ 300,000	289,800	\$ 25.68
	\$ 350,000	344,300	\$ 30.50
	\$ 400,000	398,800	\$ 35.34
	\$ 450,000	450,000	\$ 39.87
	\$ 500,000	500,000	\$ 44.30











**CITY OF SHOREVIEW, MINNESOTA  
STREET RENEWAL POLICY  
AMENDED OCTOBER 21, 1996**

**I. INTENT**

It is the intent and purpose of this policy to maintain a permanent program to manage, finance and implement the reconstruction or rehabilitation of the streets within the City of Shoreview. This policy is intended to allow the City to adequately plan for the major capital costs that will ultimately occur as the City's existing streets age and deteriorate. It is also the intent of this policy to create a financing and payment system that will be fair and equitable to all property owners within the City during future years as it becomes necessary to reconstruct or rehabilitate the City's street system.

**II. ELIGIBLE PROJECTS**

Street improvement projects eligible under this policy consist of improvements to existing paved public streets within the City, which are in public use and which are maintained by the City. Unimproved, unmaintained public rights-of-way are not eligible. Street improvements to Ramsey County roadways or State highways located within the City, which are performed as a joint City/County or City/State project, under the terms of an agreement that obligates the City to participate in the cost of the improvement, are also eligible for this policy.

No street improvement project shall be initiated under this policy until all underground utilities that are or will be located within the roadway area have been inspected and determined to be adequate, or have been repaired or rehabilitated to a condition that will provide a projected useful life of the utility in excess of the anticipated useful life of the new or rehabilitated roadway. In addition, all future publicly-owned underground utility systems that will be required for the ultimate development and service of the project area must be installed prior to the implementation of street improvements under this policy.

The rehabilitation, replacement, or installation of new sanitary sewer, water systems or storm drainage systems, which are required to satisfy this policy, shall not be considered as an element of the street improvement program. Such underground utility improvements, which are required in advance or at the time of the street improvement project, shall be implemented by the City under the prevailing policies and regulations for such utility improvements, and the costs involved in such utility improvements shall not be included as a cost of the street improvement project. Minor modifications to utility systems, which are required to facilitate the new street, such as manhole, catch basin, and valve adjustments, shall be considered as an element of the street project.

The City shall perform a detailed inventory of all City streets that are eligible for improvement under this policy, and maintain such information in an automated

Pavement Management Program (PMP). The PMP shall measure and document the condition of all City streets, taking into account such factors as surface texture and wear, the extent of cracking, the roughness, adequacy of drainage and such other factors that will assist in the evaluation of the roadway. The data collected by the PMP shall be evaluated by the City Engineer and, based on that evaluation; the City shall prepare a comprehensive schedule and cost estimate for the anticipated street improvements. In addition, a Capital Improvement Program (CIP) shall be prepared which shall identify the estimated cost, sequence, and schedule in which projects should be implemented. The PMP shall be reviewed and updated every four years, and a new cost estimate, rating, and CIP shall be prepared with each update of the PMP.

### **III. DESIGN STANDARDS**

All City streets, except those streets on the Municipal State Aid Street System (MSA) shall be designed to a uniform performance standard. The basic standards shall be a 32-foot width measured from face of curb, a pavement and base section adequate for a 7-ton loading based upon the characteristics of the underlying sub grade soils, and it shall include concrete curb and gutter. In areas where platted right-of-ways and/or existing land uses make the consideration of 32-foot-wide streets impractical, the City shall analyze the feasibility of narrower streets. Such analysis shall include emergency service needs, existing topography, access issues, cost, and other factors deemed appropriate. The specific design details, specifications and material standards used for a street improvement project shall generally conform to the City's ordinances and procedures, applicable at the time the project is implemented.

To the maximum extent possible, the existing streets and in-place materials shall be used or left in place. Seal coating, crack-filling and pavement overlay strategies will be used to rehabilitate roadways when deemed cost-effective through analysis of the City's Pavement Management Program. Existing concrete curb shall be left in place if its condition is adequate for the anticipated life of the new or rehabilitated pavement. In-place pavement and aggregate base materials shall be recycled and reused when it is determined that it is the most cost-effective method.

Design standards for City streets that are on the MSA system shall be as required by the MSA regulations. Design standards for Ramsey County or Mn/DOT roadways shall be determined by each respective agency.

### **IV. PAYMENT AND FINANCIAL PROGRAM**

It is the intent of this policy that the City, as a whole, is primarily responsible for the payment of the street replacement and rehabilitation program. It is also the intent of this policy to identify the specific benefits that are created by the street improvements to the adjacent properties, specifically the enhancement of property values as a result of the adjacent street improvements.

The financial program shall consist of the following elements:

- A. The City shall designate, to the maximum extent possible, all of its available MSA mileage allocation, with the objective of security the maximum amount of MSA funds for use in conjunction with the Street Renewal Program.
- B. The City will maintain a permanent Street Renewal Fund from which the majority of the cost of the street renewal program shall be paid. The Street Renewal Fund shall be reviewed periodically, and adjustments to the policy shall be made where necessary to assure the adequacy of the fund.
- C. The City shall levy special assessments on adjacent benefiting properties when the street improvement project includes the installation of concrete curb and gutter in locations where concrete curb and gutter did not exist prior to the improvement.

The cost to be assessed to abutting properties shall be a portion of the cost to bring the street up to a modern standard, being approximately equal to the cost of new concrete curb and gutter, including a proportionate share of all project Engineering and Administrative costs of the improvement. The assessment rate shall be computed on a per-lot unit basis, with a lot unit being defined as a platted single-family residential lot or equivalent which, according to current Shoreview code, cannot be further subdivided for R-1 detached residential. A lot unit dimension may be set as the average width based on detached residential/R-1 lots within the improvement area.

In computing the assessable units, consideration shall be given to properties that can be further subdivided into lot units. All properties other than single family residential (R-1 detached residential) such as parks, attached and detached residential, high-density, residential, churches, schools, offices, commercial and industrial properties shall be superficially subdivided to determine the assessable lot units or part thereof. To reflect the number of increased traffic generation by commercial, industrial, and high-density residential properties, a factor of 2 will be applied to determine the rate of assessment for properties of these types.

Benefits from street renewal improvements shall be considered to extend a minimum of 130 feet each side of the street right-of-way. A half-unit width shall be considered on corner lots where both streets are not currently being improved. Lots fronting on or immediately adjacent to more than one improved public street shall not be doubly assessed.

If a street renewal project is requested to be constructed to a greater width and/or thickness than the standard by the abutting property owners, then the excess cost above that of the standard reconstruction cost shall be fully assessed to those properties.

If a property has been assessed on a lot unit basis for a public improvement, and subsequently a property division is made creating additional lot units, then a supplemental charge shall be made to the property at the same rate which applied under the original assessments.

The assessment process shall be carried out in accordance with Minnesota Statutes Chapter 429. The assessment rate shall be on a per-lot unit basis and shall be calculated and processed in accordance with the current City Street Renewal Program and Unit Assessment Policy.

No special assessments shall be levied in situations with existing concrete curb and gutter.

## **V. IMPLEMENTATION PROCEDURES**

- A. Consideration of a street for improvement under this policy shall be initiated by any of the following:
  - 1. Petition by the adjacent property owners.
  - 2. Recommendation by the City staff based upon the Capital Improvement Program (CIP) and/or the Pavement Management Program (PMP).
  - 3. Request by Ramsey County and/or Mn/DOT for City participation in a joint improvement.
  - 4. Initiation by City Council.
- B. If the City Council determines that it is desirable to consider the project, an engineering feasibility study shall be prepared. The study shall examine the need for the project, its relative priority to other streets that are in need of improvement, the extent of utility repairs and improvements required in advance of the street improvement, and the cost and financial considerations. If the proposed project includes special assessments, all subsequent work and activities shall be performed in accordance with the applicable provisions of the MSA regulations, current City policy, and Minnesota Statutes Chapter 429.
- C. Following the Public Hearing, the Council will either order the work or reject the project.

Adopted by the Shoreview City Council on the 21<sup>st</sup> day of October 1996.